

CAREER DEVELOPMENT ACTIVITY #4



Title: Reality Check

Standard 8001.01: The student will develop self-knowledge and skills related to the world of work and occupations.

Objective .0101: Acquire self-knowledge related to education and occupational exploration.

Objective .0102: Understand the role of work in society.

Objective .0104: Identify and utilize the decision making/problem solving process.




Standard 8001.02: The student will explore applied technology education and related occupations.

Objective .0205: Apply economic concepts to personal and workplace experiences.

Objective .0207: Develop an awareness of the basic skills related to family and consumer sciences. (self, family, nutrition and food, clothing and textiles, and child development).

Time: 45-50 minutes

Materials:


- % *The Real Game* (Pages 51-55) 
- % Overhead of Monthly Payroll Information (CD 4.4)
- % Student Record Books 
 - “Monthly Budget” and “Monthly Expenses” RB 25 - 26 (Teacher copies CD 4.6 and 4.7) Students will have two back to back copies of these sheets, one page to be kept in their record book (RB 25 - 26) and one page for the home link (RB 39 - 40).
- % Overheads of Monthly Budget and Monthly Expenses sheets from masters in *The Real Game* (Teacher Copies, CD 4.5-4.6)
- % *The Real Game* Chance Cards
- % Calculators (one for each student who may not have his/her own)
- % Wish Lists used in *The Dream* (pages 37-42 of *The Real Game*)
- % Payroll deductions, net monthly income, monthly expenses, and balance definitions (CD 4.7)
- % HomeLink Activity  - RB 39 - 41 (Teacher Copies CD 4.6 - 4.8)
- % Overhead projector

Rationale: This lesson should immediately follow What's My Line from *The Real Game*. During the Reality Check, students explore the relationship between their Wish List choices and the incomes from their new Real Game occupations. They will have

the opportunity to explore how occupation, income, and lifestyle all affect each other. Students engaging in a conversation with their parents concerning the importance of family budgeting is an important outcome. Students will learn basic budgeting skills. The students face the contrast between reality and dreams.

Math Link: Students should practice their percentage calculation skills in math classes before this activity. Communicating and coordinating with the math department would be helpful.


What? In what activity will the student participate?

This activity, with the following adaptations, is found in *The Real Game*  facilitator's guide on pages 51-55:

- (1) **[5 minutes]** Show the overhead of the Monthly Payroll Information (see CD 4.4). Tell the students this might look like a typical working person's monthly check stub. Briefly review the definition for gross monthly income, which students wrote in their record book glossaries during career development activity #3. Then define the terms payroll deductions and net monthly income using the overhead CD 4.5.

payroll deductions – money subtracted from gross monthly income by an employer. These include things such as taxes and insurance.


net monthly income – earnings after deductions or take-home pay.

Have students turn to the glossary section, RB 20 - 21, of the **Student Record Books**  and write down these definitions.




- (2) **[5 minutes]** Turn to page 51 in the facilitator's guide and do item #1. After you hand out the monthly budget/monthly expenses sheets, show the overhead of the monthly budget sheet (CD 4.6) and define the terms monthly expenses and balance (CD 4.5):

monthly expenses – money spent on the wants and needs of life each month.

balance – the amount of money that is left after subtracting monthly expenses from net monthly income (point out that a negative balance is possible, but not advisable).

Have students add these definitions to their student **Record Books**  glossary, RB 20 - 21.


Explain to the class that they are now going to prepare a monthly budget based upon the gross monthly income from their Occupation Profile sheets they were assigned from the “What’s My Line” activity. Have each student refer back to monthly income, found on RB 7, question 2. Each Student should copy his or her occupation and gross monthly income onto the Monthly Budget sheets RB 25.

- (3) **[20-25 minutes]** For item #2 of the *Real Game* , follow the directions on pages 51-52 of the facilitator’s guide. Have the students refer to The Dream Activity, RB 4, in the **Student Record Books**  where they have already written some of the monthly costs (note that the dream did include the reality of miscellaneous expenses). The note to the teacher at the end of this activity may be disregarded because the students will not be doing the Activity Posters. Hint: Use dollar figure from clothing choice sheet to simplify clothing expense calculation.
- (4) **[5 minutes]** Follow the directions on page 52 of the *Real Game*  facilitator’s guide for item #3. Skip item #4. The students will not need to highlight their choices.

So What? What will the student learn as a result of participation in this activity?

[5 minutes] Discuss and process this activity using some of the discussion questions found on the bottom of page 52 of the facilitator’s guide. Emphasize the effect that education and occupation have on lifestyle.

Now What? What can the student do with this new information with regard to career development?

[5 minutes] Locate and explain the **Home Link**  Activity (RB 41, Teacher Copy, CD 4.8). This activity is designed to help students learn how budgeting is done in their homes. Along with the Home Link assignment, students should take home a clean copy of the Monthly Budget/Monthly Expenses worksheet (RB 39 - 40, Teacher Copies CD 4.6 - 4.7). The Home-Link assignment consists of discussion questions that the students are to answer as they discuss family budgeting with their parents. The student brings back only the completed discussion questions to school to receive credit for completing the TLC assignment (a 3 to 5 day turnaround may be desirable to allow parents flexibility in completing the assignment with their students). **Emphasize that the personal family budget and monthly expenses sheets should not be returned. These are confidential and should be kept at the student’s home.**

MONTHLY PAYROLL INFORMATION

(sample check stub)

Gross Monthly Income	\$3,000
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Payroll Deductions

Federal Tax	\$305
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State Tax	\$160
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Social Security/Medicare	\$230
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Insurance	<u>\$200</u>
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Total	\$895
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Net Monthly Income	\$2105
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Payroll deductions:

Money subtracted from gross monthly income by an employer. These include things such as taxes and insurance.

Net monthly income:

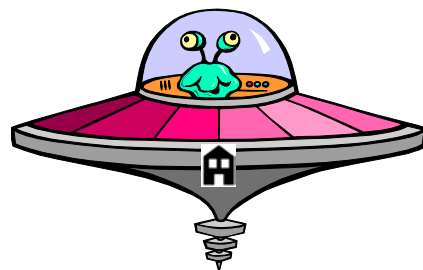
Earnings after deductions or take-home pay.

Monthly expense:

Money spent on the wants and needs of life each month.

Balance:

The amount of money that is left after subtracting monthly expenses from net monthly income.



Monthly Budget


Name:

.....

Occupation:

.....

Reminder: Always use a pencil when accounting, so changes and adjustments can be easily made.

Gross Monthly Income	\$ A
Payroll Deductions (30% of Gross Monthly Income: $30 \times A = B$)	\$ B
Net Monthly Income ($A - B = C$)	\$ C
> Turn to page 2 to figure out Monthly Expenses <	
Total Monthly Expenses (from page 2)	\$ D
Preliminary Monthly Balance ($C - D = E$)	\$ E
If your Monthly Balance is a negative figure, go back to Monthly Expenses and adjust them until your balance is \$0 or more.	
Chance	\$ +/- ?
Pick a Chance Card and add it to or subtract it from your Monthly Balance.	
Final Monthly Balance	\$ F
Is your Total Monthly Balance still \$0 or more? If not, you'll have to give up something else. When and if there's a positive balance, put it in your Bank Account.	
Bank Account:	\$ 

Monthly Expenses

Housing	Monthly rent or mortgage payment	\$
Vehicle	Monthly payment (total for all vehicles), or other transportation costs.	\$
Vehicle Maintenance	20% of vehicle cost (previous line) should cover gas, insurance, registration, and repairs for each vehicle you own.	\$
Bills	Electricity, heat, telephone, cable, etc. (30% of monthly housing cost).	\$
Groceries	Not less than \$250	\$
Clothing	Include coats, boots, shoes, and work and leisure clothes for all seasons and divide by 12.	\$
Miscellaneous	Pharmacy, haircut, dry cleaning, household items, pet care.	\$
Entertainment	Movies, video games, eating out, etc. (Add the cost of all weekly activities and multiply by 4.)	(.....x4) \$
Other Items	Boat, snowmobile, computer, horse, cabin or cottage...	\$
Total Monthly Expenses:		\$ D

REALITY CHECK HOME LINK ACTIVITY

Name _____ Period _____ Date Due _____

Dear Parent(s),

Your student has just completed a budgeting activity in TLC called Reality Check using an assigned occupation. Now that your student has a better understanding about managing a budget, it would be meaningful to review the budgeting process you use to balance family income and expenses. **We ask that your student answer the discussion questions below and return them to her/his TLC teacher to indicate completion of this assignment.**

We have included a copy of the monthly budget/monthly expenses sheet from Reality Check which may be helpful to you as you discuss this information with your student. **Please do not send this confidential information to school.** Thank you for your valuable support in this important activity.

DISCUSSION QUESTIONS

1. What is the importance of budgeting?
2. How do the math skills of percentage calculation, addition, subtraction, and multiplication apply to real life?
3. What is the connection between education, occupational choice, and your family budget?
4. How do unexpected occurrences affect your budget?
5. What did you learn from this activity that helps explain why parents don't always buy everything their family members want?